

TAOS HEALTH SYSTEMS, INC.
BOARD OF DIRECTORS MEETING MINUTES
Hospital Board Room
July 25, 2018
6:00 p.m.

Present: Chris Stagg, Karen Matherlee, Andy Torres, Fred Peralta, Dan Guttman, MD, Lucille Gallegos-Jaramillo, Barbara Vondy, Trinidad de Jesus Arguello, Tim Moore, M.D, and Cisco Gonzales

Members Absent: Patsy Scott, John Foster, MD, Gregory Trujillo,

Administration: Bill Patten, Steve Rozenboom, Renee Sudborough, Sue Romansky, Cheri Benander and Jeff Schenck

Guests: Don Smithburg, RVP, QHR

Citizens: Stephens Hall, Susan McCarthy, Gretchen Morris, John Miller, Taos News

- I. **Call to Order** - Holy Cross Hospital, a division of the Taos Health Systems, Inc., Board of Directors meeting was called to order at 6:01 p.m., Wednesday, July 25, 2018, by Chris Stagg, Chair. Attendance was recorded and a quorum was present.
- II. **Pledge of Allegiance**
- III. **Approval of Agenda** - The agenda was presented for review and approval. Following review and discussion, a motion was made and seconded to approve the agenda as presented. All were in favor and the motion carried.
- IV. **Approval of Minutes** - Following review and discussion, a motion was made and seconded to approve the June 27, 2018 minutes as presented. All were in favor and the motion carried.
- V. **Public Comments** – There were no public comments presented.
- VI. **Lifewings Quality & Safety Council Report – Sue Romansky, Quality Asst., VP**
Sue Romansky presented on the following:
 - Policy Procedure and Documentation Control
 - Department Quarterly Reports
 - Quality Measures Outcomes
 - Customer Satisfaction Trends
 - Quality Score Cards Review
- VII. **Approval of the Consent Agenda** - Following review and discussion, a motion was made and seconded to approve all the items listed under the Consent Agenda. All were in favor and the motion carried.
 - CEO Quarterly Department Reports – Approved on Consent Agenda.
 - CFO Quarterly Department Reports – Approved on Consent Agenda.
 - Compliance Report – Approved on Consent Agenda as recommended by the Compliance Committee.
 - June 2018 Financial Statements – Approved on Consent Agenda as recommended by the Finance Committee.
 - July Capital Requests – Approved on Consent Agenda as recommended by the Finance Committee.
- VIII. **CEO Report – Bill Patten, CEO** - Mr. Patten reported on the following:
 - Recruitment
 - General Surgery – Dr. Maestas has accepted a position in Albuquerque. Dr. Chambers has declined our offer. We also have another candidate from Colorado that we are pursuing.
 - Peds – Kelly Reagan, NP has accepted our offer. We are all done recruiting in peds.

- HR and Lab Directorships– Ron Etcitty has been hired as the HR Director and Gary Ayers is the new Laboratory Director.
- CNO – We will now start recruiting for a permanent CNO.
- ED – Drs. Moran and Bouvier are on board and started to work a few weeks ago.
- Union - Have had a 2nd round of negotiations with the APC's. We have been notified that the 1199 Union President is leaving.
- THS Board Bylaws – Legal has reviewed and ok'd the board bylaws. They will now be sent to the Medical Executive Committee for their review and hope to present them to the board in August for final approval.
- Govern Well – The GovernWell Education Tool has been posted on the board portal. Mr. Patten asked the board if there were any elements that they had in mind that they want to start with. He presented three suggestions that they could use in the coming months: 1) Strategic Planning, 2) Becoming a community centered board, and 3) Healthcare Workforce. Following discussion, Bill agreed that we will begin with Strategic Planning at the August board meeting.

IX. **QHR Report – Don Smithburg, RVP** – Mr. Smithburg reported on the following:

- Quorum is seeing more rural hospitals facing the financial challenges that Holy Cross is facing. They are seeing it so much that in the last fourteen months, Quorum has cut its own expenses by 20% in attempts to get ahead of the curve. Don wanted to make the board aware that Holy Cross is not alone. QHR works with more than 100 hospital that fits a profile similar to HCH, and are seeing tough circumstances occurring in about 70% of those hospitals.
- Mr. Smithburg reported that Cibola General Hospital in Grants is working on an intense financial improvement plan and are gearing up to have a layoff. The Gallup Rehoboth hospital is doing 12 week furloughs, having employees take time off so they can burn through their personal leave time. Truth or Consequences and Artesia hospitals recently had layoffs as well.
- Quorum Board Minutes Newsletter – Informational.

X. **Chief of Staff Report – Tim Moore, MD** – No report.

- The Emergency Department has a few new physicians.
- Looking at new medical staff leadership in the ED from Dr. Bjorkman.
- Dr. Moore summarized an article in the New York Times relating to the closure of rural hospitals and how it affects obstetrical care for laboring patients traveling through the night in order to find a hospital that is open. This is a reality. By comparison, he noted that HCH has an outstanding obstetrical team that can deal with almost any obstetrical emergency.

XI. **Committee Reports**

a) Finance Committee Report - Steve Rozenboom, CFO

Mr. Rozenboom gave an overview of the Finance Committee meeting held earlier this afternoon.

- Steve provided a recap of the approved June financials.
 - Volumes were fairly consistent for this time of year. There is a fair amount of seasonality in our volumes and associated revenues.
 - Inpatient admissions were a little softer partly associated with a higher level of OBS patients.
 - We had a very low number of newborns in June.
 - Outpatient volumes were steady and generated very solid outpatient revenue.
 - ED visits were a little lower than budget, but the highest we have seen since January.
 - Clinic visits were down due to several providers being on vacation.
 - Had good surgery volumes in June.
 - Gross revenues were very good just falling short of \$12M. We have only had one month in our history where we exceeded \$12M. Unfortunately, our payer mix shifted in June with an even higher level of government business. 77% of our business was government payers who pay much less than our commercial payers, therefore, we saw an increase in our contractual allowances.
 - Gross revenues minus our contractual allowances came in just a little below budget at \$250K below budget.
 - Operating expenses overall were favorable to budget by \$200K.
 - We had a loss of \$30K in June compared to a budgeted loss of \$16K .
 - Steve reported that he has not yet added seasonality to either the volume, revenue or expenses within the budget.

- Net cash flow was \$148K positive.
 - A/P - We are down below 60 days in A/P.
 - A/R – Remains fairly high. Have several projects targeted at bring the A/R down.
- Steve distributed the BKD Audit letter to the board members that were not present at the earlier Finance Committee meeting. He mentioned that this is required communication by the auditors. The auditors are here this week doing their field work.
 - Finance Committee approved the July Capital Request of two new Arthrex Towers and the upgrade of the two towers we currently have. The total cost is \$243,000, which will be submitted to the County for mill levy reimbursement.
 - The 1st Amendment to Dr. Bendersky's contract was approved.

New Business

- Approval of the Texas Health and Human Services Corporation Resolution - Following review and discussion, motion was made and seconded to approve the resolution as recommended by Administration. All were in favor and motion carried.

XII. **Old Business** - There was no Old Business presented.

XIII. **Executive Session**

- a) A motion was made and seconded at 6:45 p.m. to enter into Executive Session to discuss Medical Staff credentialing and privileging recommendations, QHR Reports, legally protected matters, and personnel issues. All were in favor and the motion carried.
- b) A motion was made and seconded to reconvene into open session at 8:00 p.m. All were in favor and the motion carried.

XIV. **Other Business**

- 1) Credentialing – A motion was made and seconded to approve each of the Medical Staff recommendations to the Board for privileges and memberships as listed below. All were in favor and the motion carried.

INITIAL APPOINTMENTS:

Berglund, Andrew, DO, ED – Appointment in the Emergency Medicine Department
Owen, Matthew, MD, Ortho Fellow – Appointment in the Surgery & Anesthesia Department
Korsh, Jeremy, MD, Ortho Fellow – Appointment in the Surgery & Anesthesia Department
Loy, Bo, MD, Ortho Fellow – Appointment in the Surgery & Anesthesia Department

REAPPOINTMENTS:

Johnson, Paul MD, Radiology – Reappointment in the Pediatric and Adult Medicine Department
Lynch, Linda MD, Emergency Medicine – Reappointment in the Emergency Medicine Department
Goldsmith, James MD, Pediatric Cardiology – Reappointment in the Pediatric and Adult Medicine Department
Good, Lauren MD, Dermatology – Reappointment in the Pediatric and Adult Medicine Department

XV. **Other Actions** – None.

XVI. **Adjournment** - There being no further business, the meeting adjourned at 8:03 p.m.

Respectfully submitted by: _____
 Lenora Cisneros, Recorder

Approved by: _____
 Andy Torres, Secretary